

**CITY OF BOGALUSA SCHOOL BOARD**

**GENERAL-PURPOSE FINANCIAL  
STATEMENTS, SUPPLEMENTAL  
INFORMATION AND INDEPENDENT  
AUDITOR'S REPORTS**

**For the Year Ended June 30, 2001**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/16/02

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# REBOWE & COMPANY

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CONSULTANTS

A PROFESSIONAL CORPORATION

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## INDEPENDENT AUDITORS' REPORT

**City of Bogalusa School Board**  
1705 Sullivan Drive  
Bogalusa, LA 70429

Dear Board Members:

We have audited the accompanying general-purpose financial statements of the **City of Bogalusa School Board** (the "School Board"), as of and for the year ended June 30, 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of the School Board's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the School Board as of June 30, 2001 and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2001 on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

*Rebowe & Company*

November 15, 2001

**CITY OF BOGALUSA SCHOOL BOARD**  
**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS**  
**June 30, 2001**

	Governmental Funds		Fiduciary Fund Type	Account Groups			Total (Memorandum Only)
	General Fund	Special Revenue Funds		General		Long-term Debt	
				Fixed Assets			
<b>Assets and Other Debits</b>							
Assets							
Cash and cash equivalents	\$ 390,962	\$ 680,621	\$ 167,943	\$ -	\$ -	-	\$ 1,239,526
Receivables, net	654,206	480,685	-	-	-	-	1,134,891
Due from other funds	809,956	150,336	5,000	-	-	-	965,292
Inventory	-	61,292	-	-	-	-	61,292
Land, buildings, and equipment	-	-	-	13,757,389	-	-	13,757,389
Amount to be provided for retirement of general long-term obligations	-	-	-	-	-	411,722	411,722
Total assets and other debits	\$ 1,855,124	\$ 1,372,934	\$ 172,943	\$ 13,757,389	\$ 411,722		\$ 17,570,112
<b>Liabilities, Equity, and Other Credits</b>							
Liabilities							
Accounts payable	\$ 72,307	\$ 85,370	\$ 18,871	-	\$ -	-	\$ 176,548
Salaries and other payables	1,114,813	131,003	-	-	-	-	1,245,816
Due to other funds	150,336	809,956	5,000	-	-	-	965,292
Capital leases payable	-	-	-	-	-	11,069	11,069
Compensated absences payable	-	-	-	-	-	400,653	400,653
Total liabilities	1,337,456	1,026,329	23,871	-	-	411,722	2,799,378
Equity and other credits							
Investment in general fixed assets	-	-	-	13,757,389	-	-	13,757,389
Fund balances:							
Reserved for inventory	-	61,292	-	-	-	-	61,292
Unreserved:							
Undesignated	517,668	285,313	149,072	-	-	-	952,053
Total fund equity and other credits	517,668	346,605	149,072	13,757,389	-	-	14,770,734
Total liabilities, equity and other credits	\$ 1,855,124	\$ 1,372,934	\$ 172,943	\$ 13,757,389	\$ 411,722		\$ 17,570,112

The accompanying notes are an integral part of this statement.

**CITY OF BOGALUSA SCHOOL BOARD  
GOVERNMENT FUND TYPES  
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2001**

	Governmental Funds		Total (Memorandum Only)
	General Fund	Special Revenue Funds	
<b>Revenues:</b>			
Local sources:			
Taxes:			
Ad valorem	\$ 1,705,637	\$ 303,038	\$ 2,008,675
Sales and use	2,060,736	-	2,060,736
Investment earnings	38,152	4,910	43,062
Food services	-	149,161	149,161
Other	79,607	-	79,607
Total local sources	<u>3,884,132</u>	<u>457,109</u>	<u>4,341,241</u>
State sources:			
State equalization	11,897,316	225,989	12,123,305
Revenue sharing	214,395	38,011	252,406
Professional improvement program	108,333	-	108,333
Other state support	528,448	129,152	657,600
Total state sources	<u>12,748,492</u>	<u>393,152</u>	<u>13,141,644</u>
Federal sources:			
Unrestricted-indirect cost recoveries	-	73,663	73,663
Restricted grants-in-aid	208,152	2,882,765	3,090,917
Other commodities	-	79,934	79,934
Total federal sources	<u>208,152</u>	<u>3,036,362</u>	<u>3,244,514</u>
Total revenue	<u>16,840,776</u>	<u>3,886,623</u>	<u>20,727,399</u>
<b>Expenditures:</b>			
Instruction:			
Regular programs	6,333,809	-	6,333,809
Special programs	2,547,968	869,120	3,417,088
Vocational education	733,211	-	733,211
Other instructional	480,354	-	480,354
Special program	154,069	-	154,069
Adult and continuing education programs	48,576	-	48,576
Support services:			
Student services	643,104	-	643,104
Instructional staff support	399,676	611,866	1,011,542
General administration	1,417,208	945,795	2,363,003
School administration	1,015,040	-	1,015,040
Business services	389,564	-	389,564
Plant services	1,574,759	507,244	2,082,003
Community services	-	4,446	4,446
Student transportation services	756,104	-	756,104
Food services	34,232	-	34,232
Summer feeding	-	784,646	784,646
	-	23,338	23,338
Total expenditures	<u>16,527,674</u>	<u>3,746,455</u>	<u>20,274,129</u>
Excess (deficiency) of revenues over expenditures	<u>313,102</u>	<u>140,168</u>	<u>453,270</u>
Fund balances, beginning of year	<u>204,566</u>	<u>206,437</u>	<u>411,003</u>
Fund balances, end of year	<u>\$ 517,668</u>	<u>\$ 346,605</u>	<u>\$ 864,273</u>

The accompanying notes are an integral part of this statement.



**CITY OF BOGALUSA SCHOOL BOARD**  
**GOVERNMENT FUND TYPES**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND & SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2001**

	General Fund		Special Revenue Funds	
	Budget	Actual	Budget	Actual
			Variance - Favorable (Unfavorable)	Variance - Favorable (Unfavorable)
<b>Revenues</b>				
Local sources:				
Ad valorem taxes	\$ 1,595,900	\$ 1,705,637	\$ 109,737	\$ 303,038
Sales and use taxes	1,963,895	2,060,736	96,841	4,910
Food services	-	-	-	149,161
Investment income	-	38,152	38,152	-
Other local sources	59,777	79,607	19,830	-
Total local sources	3,619,572	3,884,132	264,560	457,109
State sources:				
State equalization	11,084,516	11,897,316	812,800	225,989
Revenue sharing	266,247	214,395	(51,852)	38,011
Professional improvement program	164,554	108,333	(56,221)	-
Other state support	467,387	528,448	61,061	129,152
Total state sources	11,982,704	12,748,492	765,788	393,152
Federal sources:				
Grants	178,350	208,152	29,802	2,956,428
Commodities	-	-	-	79,934
Total federal sources	178,350	208,152	29,802	3,036,362
Total revenues	15,780,626	16,840,776	1,060,150	3,886,623
<b>Expenditures</b>				
Current				
Instructional:				
Regular	7,585,510	6,333,809	1,251,701	-
Special education programs	2,366,286	2,547,968	(181,682)	869,120
Vocational education	538,083	733,211	(195,128)	-
Other instructional	148,905	480,354	(331,449)	-

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CITY OF BOGALUSA SCHOOL BOARD  
GOVERNMENT FUND TYPES  
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)  
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND & SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2001

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Special program	\$ 135,362	\$ 154,069	\$ (18,707)	\$ -	\$ -	\$ -
Adult and continuing education programs	28,022	48,576	(20,554)	-	-	-
Total instructional	10,802,168	10,297,987	504,181	1,476,947	869,120	\$ 607,827
Support services:						
Student services	625,222	643,104	(17,882)	-	-	-
Instructional staff support	357,132	399,676	(42,544)	364,278	611,866	(247,588)
General administration	530,714	1,417,208	(886,494)	65,307	945,795	(880,488)
School administration	1,000,830	1,015,040	(14,210)	-	-	-
Business services	254,786	389,564	(134,778)	-	-	-
Plant services	1,436,971	1,574,759	(137,788)	354,656	507,244	(152,588)
Community services	-	-	-	3,483	4,446	(963)
Student transportation services	742,367	756,104	(13,737)	-	-	-
Central services	30,435	34,232	(3,797)	-	-	-
Food services	-	-	-	1,466,825	784,646	682,179
Summer feeding	-	-	-	147,499	23,338	124,161
Total support	4,978,457	6,229,687	(1,251,230)	2,402,048	2,877,335	(475,287)
Total expenditures	15,780,625	16,527,674	(747,049)	3,878,995	3,746,455	132,540

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CITY OF BOGALUSA SCHOOL BOARD  
GOVERNMENT FUND TYPES  
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)  
BUDGET (GAAP) BASIS AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2001

	General Fund		Variance - Favorable (Unfavorable)	Special Revenue Funds		
	Budget	Actual		Budget	Actual	Variance - Favorable (Unfavorable)
Excess (deficiency) of revenues over expenditures	\$ 1	\$ 313,102	\$313,101	\$ 2,502	\$ 140,168	\$ 137,666
Fund balance, beginning of year	-	204,566	204,566	-	206,437	206,437
Fund balance, end of year	\$ 1	\$ 517,668	\$ 517,667	\$ 2,502	\$ 346,605	\$ 344,103

The accompanying notes are an integral part of this statement.

**CITY OF BOGALUSA SCHOOL BOARD**  
**Notes to the General-Purpose Financial Statements**  
**As of and for the Year Ended June 30, 2001**

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Bogalusa School Board (the "School Board") is an independent special district created for the purpose of providing elementary and secondary education to the citizens of Bogalusa, Louisiana. The School Board is governed by an elected board comprised of seven members.

The following is a summary of the School Board's significant accounting policies which conform to generally accepted accounting principles as applicable to governmental units:

**Reporting Entity** - In conformity with the Governmental Accounting Standards Board's definition of a reporting entity, the general-purpose financial statements of the School Board include the accounts of all School Board operations. The School Board is considered a stand-alone reporting entity based on the following criteria:

- a. *Responsibility for surpluses/deficits.* The School Board is solely responsible for its surpluses/deficits. No other governmental unit is responsible for its deficits or has a claim to its surpluses.
- b. *Budget Approval.* The School Board is solely responsible for reviewing, approving and revising its budget.
- c. *Responsibility for Debt.* The School Board is authorized to issue bonds. The School Board is solely responsible for payments to the bondholders. No other governmental unit is required by statute to make any payments to bondholders nor have any payments to bondholders ever been made by any governmental unit, except the School Board.
- d. *Designation of Management.* The School Board controls the hiring of management and employees.
- e. *Special Financial Relationship.* The School Board has no special financial relationships with any other governmental unit.
- f. *Statutory Authority.* The School Board's statutory authority was created by the State of Louisiana as an independent governmental unit. Only an amendment to state statutes can change or abolish the School Board's authority.

**CITY OF BOGALUSA SCHOOL BOARD**  
**Notes to the General-Purpose Financial Statements (Continued)**  
**As of and for the Year Ended June 30, 2001**

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Additionally, the School Board is a legally separate governmental organization that has a separately elected governing body and does not meet the definition of a component unit.

The School Board operates 10 schools within the City with a total enrollment of approximately 3187 pupils. In conjunction with the regular education programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

**Basis of Presentation - Fund Accounting** - The accounts of the School Board are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund balance, revenues and expenditures. The various funds are summarized by type in the financial statements. The following fund types and account groups are used by the School Board:

**Governmental Fund Types**

**General Fund** - to account for all financial resources and expenditures except those required to be accounted for in another fund.

**Special Revenue Funds** - to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditures for specified purposes.

**Fiduciary Fund Types**

**Agency Funds** - to account for assets held by the School Board as an agent for others.

**Account Groups**

Account groups are used to establish accounting control and accountability for the School Board's general fixed assets and general long-term debt. The following are the School Board's Account Groups:

**General Fixed Assets Account Group** - Fixed assets used in Governmental Fund Type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. General fixed assets consist of land, buildings and improvements, and equipment with an expected useful life of more than one year. Purchases of general fixed assets are recorded as expenditures at the time of purchase. Depreciation is not recorded on general fixed assets.



**CITY OF BOGALUSA SCHOOL BOARD**  
**Notes to the General-Purpose Financial Statements (Continued)**  
**As of and for the Year Ended June 30, 2001**

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**General Long-Term Debt Account Group** - Long-term liabilities such as unmatured general obligation indebtedness and the long-term portion of compensated absences expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

**Basis of Accounting** - The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund Types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is followed by the Governmental Fund Types, and the Agency Funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, (i.e., both measurable and available). Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than principal and interest on long-term debt, compensated absences, and claims and judgments which are recognized when due, are recorded when the fund liability is incurred, if measurable.

Revenues from local sources consist primarily of sales, use and property taxes. Year-end accrual of sales and use tax revenue is based upon June and prior months' sales and use taxes collected during July and August of the following year. Property tax revenues and revenues received from the State of Louisiana (the "State") are recognized as revenue primarily when received except at year end when they are accrued for a period not exceeding 60 days. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Generally, investment earnings are recorded as earned since they are measurable and available. Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant.

**Budget and Budgetary Accounting** - Under Louisiana Revised Statutes 39:1304, the School Board adopts an annual budget of expected revenues and probable expenditures for the General Fund, Special Revenue Funds. The budgetary process includes public notice of the proposed budget, public inspection of the proposed budget, and public hearings on the budget. The budget is adopted and submitted to the State Department of Education no later than September 15th each year. Once a budget is approved by the State Department of Education, it can be amended at the function level at the discretion of management unless it

**CITY OF BOGALUSA SCHOOL BOARD**  
**Notes to the General-Purpose Financial Statements (Continued)**  
**As of and for the Year Ended June 30, 2001**

**ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

becomes evident that receipts or disbursements will vary substantially from those budgeted. Then, the School Board shall prepare and adopt an amended budget. During the year, several discretionary amendments were necessary. Generally, such discretionary amendments were of an insignificant nature.

Budgetary control is exercised at the revenue and expenditure function level. Budgeted amounts reflected in the accompanying general purpose financial statements were adopted by the School Board on September 11, 2000 and include amendments made through June 2001.

**Encumbrances** - Encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded, is not employed by the School Board, and encumbrances outstanding at year-end are not reported.

**Cash and Cash Equivalents** - Cash and cash equivalents include all short-term, highly liquid investments (including certificates of deposit) with original maturity of three months or less when purchased.

**Investments** - Investments are stated at market value, which is based on published prices.

**Inventories** - The School Lunch Fund inventories consist of purchased food and supplies and commodities received as donations through the federal school lunch program. Such inventories are priced at cost (except for commodities received as donations which are priced using the USDA price list for commodities), on a first-in, first-out basis. The commodities are recorded as revenues when received. However, all inventories consumed are recorded as a commodities expenditure.

**Land, Buildings and Equipment** - General fixed assets which are purchased are recorded at cost or estimated historical cost. Actual historical cost data was not available for certain assets acquired prior to June 30, 1989. In those cases where it was not feasible to determine the actual cost, the assets were valued at estimated historical cost. General fixed assets, which are donated, are recorded at their fair market value on the date received.

**Compensated Absences**

- A. **Vacation and Sick Leave** - All full-time employees of the School Board are permitted to accrue vacation days (annual leave) and sick pay (sick leave). Annual leave can be accumulated up to a maximum of 15 days at the end of each fiscal year. Sick leave may accrue up to an unlimited number of days. Upon termination of employment, the employee is paid for all accrued sick leave up to a maximum of 25 days.

**CITY OF BOGALUSA SCHOOL BOARD**  
**Notes to the General-Purpose Financial Statements (Continued)**  
**As of and for the Year Ended June 30, 2001**

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

In the governmental funds, only that portion which will be liquidated within one year with expendable available financial resources is accrued at year-end. The term "expendable available financial resources" as used in this context means unreserved, undesignated fund balance. The remainder of the accrued liability which is applicable to governmental fund types is reported in the General Long-Term Debt Account Group. Only that portion of accumulated sick leave which is vested is accrued.

B. *Sabbatical Leave* - Any employee with a teaching certificate is entitled, subject to approval, to one semester of sabbatical leave after three or more years of continuous service or two semesters of sabbatical leave after six or more years of continuous service. Sabbatical leaves may be granted for rest and recuperation or professional and cultural improvement and must be approved by the School Board. Unused sabbatical leave may be carried forward to periods subsequent to that in which it is earned. Sabbatical leave does not vest. Sabbatical leave benefits are recorded as expenditures in the period paid.

**2. CASH AND INVESTMENTS**

**Deposits** - Under state law, the School Board may deposit funds in demand deposits, interest bearing demand deposits, money market accounts or time deposits with state banks organized under state law and national banks having their principal offices in Louisiana. In accordance with Louisiana Statutes, the School Board maintains deposits at those depository banks authorized by the School Board. All such depositories are members of the Federal Reserve System.

Louisiana Statutes require that all School Board deposits be protected by insurance or collateral. The market value of collateral pledged must equal 100% of the deposits not covered by insurance.

As of June 30, 2001, the carrying amount of total deposits was \$1,239,526. The bank balances for these deposits totaled \$2,277,456 at June 30, 2001, and were insured or collateralized with securities held by the pledging financial institution or its agent, but not in the School Board's name. These deposits in excess of the insured amounts are considered Category 3 in accordance with GASB Statement No. 3.

**Investments**

Cash balances of the School Board's funds are pooled and invested to the extent possible in authorized investments. Interest earned on invested cash is distributed to the various funds on the basis of the actual invested cash balances of the participating funds during the year.



**CITY OF BOGALUSA SCHOOL BOARD**  
**Notes to the General-Purpose Financial Statements (Continued)**  
**As of and for the Year Ended June 30, 2001**

**2. CASH AND INVESTMENTS (CONTINUED)**

The School Board invests idle funds as authorized by Louisiana Statutes in direct United States Treasury obligations, the principal and interest of which are fully guaranteed by the government of the United States. The investments are in the name of the School Board and are held in the trust department of a custodial bank.

At June 30, 2001, the School Board held no investments.

**3. RECEIVABLES**

The receivables at June 30, 2001, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total</u>
Sales and use taxes	\$ 205,407	\$ -	\$ 205,407
Grants:			
Federal	-	457,475	457,475
State	432,495	-	432,945
Other	<u>15,854</u>	<u>23,210</u>	<u>39,064</u>
Total	<u>\$ 654,206</u>	<u>\$ 480,685</u>	<u>\$1,134,891</u>

**CITY OF BOGALUSA SCHOOL BOARD**  
**Notes to the General-Purpose Financial Statements (Continued)**  
**As of and for the Year Ended June 30, 2001**

**4. DUE FROM/TO OTHER FUNDS**

Individual balances due from/to other funds at June 30, 2001 are as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 809,956	\$ 150,336
Special revenue funds:		
Leeway Maintenance	-	287,994
School Lunch	150,336	
Education Consolidation and Improvement Act - Title I	-	263,533
Education for Economic Security Act Title II	-	9,330
Special Education	-	197,703
Home Instruction Program for Preschool Youngsters (HIPPY)	-	28,249
Education Consolidation and Improvement Act Title VI	-	23,147
School Activity Agency Fund	<u>5,000</u>	<u>5,000</u>
 Total	 <u>\$ 965,292</u>	 <u>\$ 965,292</u>

**5. GENERAL FIXED ASSETS**

A summary of changes in general fixed assets follows:

	<u>Balance June 30, 2000</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2001</u>
Land	\$ 185,426	\$ -	\$ -	\$ 185,426
Buildings and improvements	9,532,884	235,329	-	9,768,213
Furniture and equipment	<u>3,744,704</u>	<u>226,552</u>	<u>167,506</u>	<u>3,803,750</u>
 Total	 <u>\$ 13,463,014</u>	 <u>\$ 461,881</u>	 <u>\$ 167,506</u>	 <u>\$ 13,757,389</u>

**CITY OF BOGALUSA SCHOOL BOARD**  
**Notes to the General-Purpose Financial Statements (Continued)**  
**As of and for the Year Ended June 30, 2001**

**6. SALES AND USE TAX**

For the year ended June 30, 2001, a one cent local sales and use tax was levied and collected within Washington Parish by the Washington Parish Sheriff's Office of which 55% was received by the School Board. All of the sales tax proceeds are used to pay payroll related expenditures of the School Board.

**7. SALARIES AND OTHER PAYABLES**

The payables at June 30, 2001, are as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total</u>
Salaries and withholdings	\$ 1,161,047	\$ 116,335	\$ 1,277,382
Employer's portion of retirement payable	<u>(46,234)</u>	<u>14,668</u>	<u>(31,566)</u>
Total	<u>\$ 1,114,813</u>	<u>\$ 131,003</u>	<u>\$ 1,245,816</u>

**8. CHANGES IN GENERAL LONG-TERM DEBT**

The following is a summary of long-term debt transactions for the year ended June 30, 2001:

	<u>Balance July 1 2000</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2001</u>
Capital leases payable	\$ 1,306	\$ 10,747	\$ 984	\$ 11,069
Compensated absences payable	<u>480,643</u>	<u>                    </u>	<u>79,990</u>	<u>400,653</u>
Total	<u>\$ 481,949</u>	<u>\$ 10,747</u>	<u>\$ 80,974</u>	<u>\$ 411,722</u>

**CITY OF BOGALUSA SCHOOL BOARD**  
**Notes to the General-Purpose Financial Statements (Continued)**  
**As of and for the Year Ended June 30, 2001**

**9. LEASES**

The School Board is obligated under certain leases for copying equipment accounted for as capital leases. The leased assets and related obligations are accounted for in the General Fixed Assets Account Group and the General Long-Term Debt Account Group, respectively. The following is a schedule of future minimum lease payments as of June 30, 2001.

<u>Year Ended June 30,</u>	<u>Amount</u>
2002	\$ 3,296
2003	2,707
2004	2,707
2005	2,707
2006	<u>2,030</u>
Minimum lease payments for capital leases	13,446
Less: amount representing interest	<u>(2,377)</u>
Present value of minimum lease payments	<u>\$ 11,069</u>

**10. RESERVATION OF FUND BALANCES**

At June 30, 2001, the School Lunch Fund had a reservation of fund balance for inventory in the amount of \$61,292. This reservation indicates that the balance does not constitute available expendable resources even though inventory is a component of net current assets.

**11. PROPERTY TAXES**

The School Board levies taxes on real and business personal property located within Ward 4 of Washington Parish. Property taxes are levied by the School Board on property values assessed by the Washington Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The Washington Parish Sheriff's Office bills and collects property taxes for the School Board.

Property Tax Calendar

Assessment date	January 1
Total taxes are due	About November 15
Penalties and interest are added	December 31
Lien date	January 1
Tax sale - delinquent property	About June 1

**CITY OF BOGALUSA SCHOOL BOARD**  
**Notes to the General-Purpose Financial Statements (Continued)**  
**As of and for the Year Ended June 30, 2001**

**11. PROPERTY TAXES (CONTINUED)**

The following is a summary of levied ad valorem taxes for the year ended June 30, 2001:

	<u>Levied Millage</u>	<u>Expiration Date</u>
Bogalusa School Board taxes:		
Constitutional	6.43	Indef.
Operations	6.43	2005
Construction, operation, and maintenance	5.02	2002
Operations	3.11	2008
Special Leeway Maintenance	7.76	2008
Operations	22.06	2008

**12. RETIREMENT SYSTEMS**

Substantially all employees of the School Board are required by State law to belong to retirement plans administered by the Teachers' Retirement System (TRS) or the Louisiana School Employees' Retirement System (LSERS), both of which are administered on a statewide basis. Each plan issues a separate financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing or calling the plan.

Teachers' Retirement System of Louisiana  
Post Office Box 94123  
Baton Rouge, Louisiana 70804-9123  
(225) 925-6446

Louisiana School Employees' Retirement System  
Post Office Box 44516  
Baton Rouge, Louisiana 70804-4516  
(225) 924-6484

Disclosures relating to these plans follow:

**A. TEACHERS' RETIREMENT SYSTEM**

1. *Plan Description* - All teachers, administrators, and school lunch employees of the School Board are covered by defined benefit contributory pension plans administered and controlled by a separate Board of Trustees. The Board of Trustees administers plans which are cost-sharing multiple-employer public employee retirement systems.

All teachers, administrators, and school lunch employees are eligible to participate in the TRS plans. Teachers and administrators belong to the Teachers' Regular Plan, and school lunch employees belong to the Teachers' Plan A plan. Benefits are established by State statute.



**CITY OF BOGALUSA SCHOOL BOARD**  
**Notes to the General-Purpose Financial Statements (Continued)**  
**As of and for the Year Ended June 30, 2001**

**12. RETIREMENT SYSTEMS (CONTINUED)**

TRS provides retirement benefits as well as death and disability benefits. Death and disability benefits vest after 5 years of credited service. Normal retirement is at age 60 with 10 years of service or 20 years of service regardless of age for the Teachersí Regular plan members. For the Teachersí Plan A plan members, normal retirement is at any age with 30 or more years of creditable service, at age 55 with at least 25 years of creditable service, and at age 60 with at least 10 years of creditable service. Retirement benefits are based upon the following formula percentages.

<u>Years of Service</u>	<u>Minimum Age</u>	<u>Teachersí Regular</u>	<u>Teachersí Plan A</u>
10	60	2.0% per year	1.0% or 3.0% per year
20	Any age	2.0% per year	1.0% or 3.0% per year
25	55	2.5% per year	1.0% or 3.0% per year
30	Any age	2.5% per year	1.0% or 3.0% per year
20	65	2.5% per year	1.0% or 3.0% per year

The percentage formula is applied to the average of the highest three successive annual salaries. The benefit is payable for life with eight available annuity payment plans. The plans also provide various death and disability benefits, whereby the disabled employee or surviving spouse is entitled to receive amounts determined in accordance with the plan.

2. *Contributions Required and Made* - Covered employees and the School Board are required by State statute to contribute fixed percentages of employeesí gross earnings to the pension plans. Contribution rates for the plans are as follows:

	<u>Employee</u>	<u>Employer</u>	<u>Employer Contribution</u>
Teachersí Regular	8.00%	14.2%	\$1,517,417
Teachersí Plan A	9.10%	14.2%	\$16,032

The School Boardís contributions to TRS for the years ended June 30, 2001, 2000 and 1999 were \$1,533,449, \$1,618,119, and \$1,508,195, respectively, equal to the required contributions for each year.

**B. SCHOOL EMPLOYEESí RETIREMENT SYSTEM**

1. *Plan Description* - Employees who are not teachers, administrators, or school lunch employees are covered by defined benefit contribution pension plans administered and controlled on a statewide basis by a separate Board of Trustees. The Board of Trustees administers this plan which is a cost-sharing multiple-employer public employees retirement system.

**CITY OF BOGALUSA SCHOOL BOARD**  
**Notes to the General-Purpose Financial Statements (Continued)**  
**As of and for the Year Ended June 30, 2001**

**12. RETIREMENT SYSTEMS (CONTINUED)**

All employees, other than teachers, administrators, and school lunch employees, are eligible to participate in the LSERS. Benefits are established by State statute.

LSERS provides retirement benefits as well as death and disability benefits. Death and disability benefits vest after 5 years of credited service. Normal retirement is at any age with 30 or more years of creditable service, at age 55 with at least 25 years of creditable service, and at age 60 with at least 10 years of creditable service. The maximum retirement and disability benefit is an amount equal to 2 1/2% of the average compensation for the three highest consecutive years of credited service, multiplied by the number of years of service, plus a supplementary allowance of \$2.00 per month for each month of service. The plan also provides various death benefits, whereby the disabled employee or surviving spouse is entitled to receive amounts determined in accordance with the plan.

2. *Contributions Required and Made* - Covered employees and the School Board are required by State statute to contribute fixed percentages of employees' gross earnings to the pension plans. Contribution rates for the plan are 6.35% for participating employees and 6.00% for the School Board.

The School Board's contributions to LSERS for the year ended June 30, 1999 was \$55,189, equal to the required contributions for that year. However, the School Board employer contribution was funded by the State of Louisiana through annual appropriations for the years ended June 30, 2000 and 2001.

**13. POST-EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

In accordance with State statutes, the School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. Currently, retirees are eligible to participate in these benefits. These benefits for retirees are provided through the State Employees Group Benefits Program whose monthly premiums are paid jointly by the retirees and by the School Board. During fiscal year 2001, the School Board contributed 52% of the total premiums for health care insurance provided to the retirees. The School Board recognizes the cost of providing these benefits (the School Board's portion of premiums) as an expenditure on a pay-as-you-go basis when the monthly premiums are due. The School Board's net cost of providing all health care benefits to the approximately 3,027 active and 233 retired participating employees amounted to \$1,436,102 for 2001. For 2000, the School Board's cost of premiums paid for retirees totaled \$771,149.



**CITY OF BOGALUSA SCHOOL BOARD**  
**Notes to the General-Purpose Financial Statements (Continued)**  
**As of and for the Year Ended June 30, 2001**

**14. EXPENDITURES ñ ACTUAL AND BUDGET**

Actual expenditures over appropriations at the functional level are as follows:

	<u>Expenditures</u>		<u>Unfavorable</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund:			
Instructional			
Special education programs	\$2,366,286	\$2,547,968	\$ (181,682)
Vocational education programs	538,083	733,211	(195,128)
Other instructional	148,905	480,354	(331,449)
Special program	135,362	154,069	(18,707)
Adult and continuing education programs	28,022	48,576	(20,554)
Support Services			
Student services	625,222	643,104	(17,882)
Instructional staff support	357,132	399,676	(42,544)
General Administration	530,714	1,417,208	(886,494)
School Administration	1,000,830	1,015,040	(14,210)
Business Services	254,786	389,504	(134,778)
Plant Services	1,436,971	1,574,759	(137,788)
Student transportation services	742,367	756,104	(13,737)
Central services	30,435	34,232	(3,797)
Special Revenue Funds:			
Support Services			
Instructional staff support	364,278	611,866	(247,588)
General Administration	65,307	945,795	(880,488)
Plant services	354,656	507,244	(152,588)
Community services	3,483	4,446	(963)

**15. LITIGATION**

At June 30, 2001, the School Board was a defendant in several lawsuits arising principally from the normal course of operations. The ultimate resolution of these lawsuits would not materially affect the financial statements in the opinion of the legal advisor of the School Board.

# REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS  
CONSULTANTS

A PROFESSIONAL CORPORATION

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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Members of the  
**City of Bogalusa School Board**  
1705 Sullivan Drive  
Bogalusa, LA 70429

We have audited the general-purpose financial statements of the **City of Bogalusa School Board** (the "School Board") as of and for the year ended June 30, 2001, and have issued our report thereon dated November 15, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the School Board's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the

design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the School Board, the School Board's management, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Rebowe & Company*

November 15, 2001

## **SUPPLEMENTAL INFORMATION**

## SPECIAL REVENUE FUNDS

**Leeway Maintenance Fund** - Accounts for the receipt and disbursement of a 7.76 mill ad valorem tax. The proceeds are dedicated as a special tax leeway for maintenance.

**School Lunch Fund** - A program that provides nourishing meals to students in all grades. This program is supplemented by both federal and state funds that are based on reimbursement and participation.

**Title I of the Education Consolidation and Improvement Act (ECIA)** - A program designed to meet the educational needs of students at risk of failure in school and of dropping out.

**Title VI of the Education Consolidation and Improvement Act (ECIA)** - A program by which the federal government provides programs and projects to meet the educational needs of students at risk of failure in school and of dropping out, and which will enhance the general education climate of the schools.

**Title II of the Education for Economic Security Act (EESA)** - Authorizes federal funding to improve the quality of instruction and to improve in-service training of teachers and other appropriate school personnel in the field of mathematics and science.

**Special Education Fund** - Federal and state programs which provide a free, appropriate, publicly supported education to every exceptional child in a least restricted environment. Services are provided through various programs: Idea-B, Preschool, Child Search, and Extended School Year.

**Home Instruction Program for Preschool Youngsters (HIPPY)** - HIPPY is a two-year program in which parents participate with their 3 or 4 year old child in pre-school activities at home to stress the importance of a parent's role in a child's transition from preschool to kindergarten.

# CITY OF BOGALUSA SCHOOL BOARD

## Special Revenue Funds

### Combining Balance Sheet

June 30, 2001

	Leeway Maintenance	School Lunch	Education Consolidation and Improvement Act		Education for Economic Security Act Title II	Special Education	Home Instruction for Preschool Youngsters (HIPPY)	Total
			Title I	Title VI				
<u>Assets</u>								
Cash and cash equivalents	\$ 285,721	\$ 76,602	\$ 175,939	\$ 1,020	\$ 8,451	\$ 115,835	\$ 17,053	\$ 680,621
Receivables	2,863	139,347	184,565	33,344	4,666	101,731	14,169	480,685
Due from other funds	-	150,336	-	-	-	-	-	150,336
Inventory	-	61,292	-	-	-	-	-	61,292
Total assets	<u>288,584</u>	<u>427,577</u>	<u>360,504</u>	<u>34,364</u>	<u>13,117</u>	<u>217,566</u>	<u>31,222</u>	<u>1,372,934</u>
<u>Liabilities and fund equity</u>								
Liabilities								
Accounts payable	-	40,497	27,522	955	3,787	9,636	2,973	85,370
Salaries and other payables	-	41,065	69,449	10,262	-	10,227	-	131,003
Due to other funds	287,994	-	263,533	23,147	9,330	197,703	28,249	809,956
Total liabilities	<u>287,994</u>	<u>81,562</u>	<u>360,504</u>	<u>34,364</u>	<u>13,117</u>	<u>217,566</u>	<u>31,222</u>	<u>1,026,329</u>
Fund equity-fund balances								
Reserved	-	61,292	-	-	-	-	-	61,292
Unreserved, undesignated	590	284,723	-	-	-	-	-	285,313
Total fund equity	<u>590</u>	<u>346,015</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>346,605</u>
Total liabilities and fund equity	<u>\$ 288,584</u>	<u>\$ 427,577</u>	<u>\$ 360,504</u>	<u>\$ 34,364</u>	<u>\$ 13,117</u>	<u>\$ 217,566</u>	<u>\$ 31,222</u>	<u>\$ 1,372,934</u>



# CITY OF BOGALUSA SCHOOL BOARD

## Special Revenue Funds

### Combining Statement of Revenues, Expenditures, and

### Changes in Fund Balance

For the Year Ended June 30, 2001

	Leeway Maintenance	School Lunch	Education Consolidation and Improvement Act		Education for Economic Security Act Title II	Special Education	Home Instruction for Preschool Youngsters (HIPPY)	Total
			Title I	Title VI				
Local sources:								
Ad valorem taxes	\$ 303,038	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ 303,038
Interest	2,883	2,027	-	-	-	-	-	4,910
Student lunch payments	-	41,203	-	-	-	-	-	41,203
Adult lunch payments	-	37,505	-	-	-	-	-	37,505
Student breakfast payments	-	28,056	-	-	-	-	-	28,056
Adult breakfast payments	-	5,464	-	-	-	-	-	5,464
Other	-	-	-	-	-	-	-	-
Extra sales	-	36,933	-	-	-	-	-	36,933
Total local sources	305,921	151,188	-	-	-	-	-	457,109
State sources:								
State equalization	-	225,989	-	-	-	-	-	225,989
Other	38,011	-	-	-	-	5,014	124,138	167,163
Total state sources	38,011	225,989	-	-	-	5,014	124,138	393,152
Federal sources:								
Section II reimbursement	-	-	-	-	-	-	-	-
Breakfast reimbursement	-	-	-	-	-	-	-	-
Summer feeding	-	-	-	-	-	-	-	-
Unrestricted-indirect cost recoveries	-	-	50,352	4,786	1,095	17,430	-	73,663
Restricted grants-in-aid	-	1,194,343	1,096,903	149,747	21,071	420,701	-	2,882,765
Other Commodities	-	79,934	-	-	-	-	-	79,934
Total federal sources	-	1,274,277	1,147,255	154,533	22,166	438,131	-	\$ 3,036,362
Total revenues	343,932	1,651,454	1,147,255	154,533	22,166	443,145	124,138	\$ 3,886,623



**CITY OF BOGALUSA SCHOOL BOARD**  
**Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**For the Year Ended June 30, 2001**

<u>Expenditures</u>	Leeway Maintenance	School Lunch	Education Consolidation and Improvement Act		Economic Security Act Title II	Special Education	Home Instruction for Preschool Youngsters (HIPPY)	Total
	Title I		Title VI					
Instruction								
Special programs	-	-	137,681	-	-	-	76,716	869,120
Support services								
Plant services	343,860	97,701	11,254	-	-	53,443	986	507,244
General administration	-	605,673	56,890	4,786	1,096	276,273	1,077	945,795
Food services	-	784,646	-	-	-	-	-	784,646
Summer feeding	-	23,338	-	-	-	-	-	23,338
Instruction support	-	-	422,964	12,066	21,070	113,429	42,337	611,866
Community service	-	-	1,424	-	-	-	3,022	4,446
Total expenditures	343,860	1,511,358	1,147,255	154,533	22,166	443,145	124,138	3,746,455
Excess (deficiency) of revenues and other sources over expenditures and other uses	72	140,096	-	-	-	-	-	140,168
Fund balances, beginning of year	518	205,919	-	-	-	-	-	206,437
Fund balances, end of year	\$ 590	\$ 346,015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 346,605

## **FIDUCIARY FUND**

**School Activity Fund** - The School Activity Agency Fund accounts for monies generated by the schools and organizations within the schools of the School Board. While these accounts are under the supervision of the School Board, they belong to the individual schools or their student bodies and are not available for use by the School Board.

**CITY OF BOGALUSA SCHOOL BOARD  
SCHOOL ACTIVITY AGENCY FUND  
Schedule of Changes in School Account Balances  
For the Year Ended June 30, 2001**

	Balance July 1, 2000	Additions	Deductions	Balance June 30, 2001
Bogalusa High - Activity	\$ 26,312	\$ 230,885	\$ 233,692	\$ 23,505
Bogalusa High - General	(10,450)	99,133	86,658	2,025
Bogalusa High - Athletics	5,855	76,137	79,290	2,702
Bogalusa High - Quarterback Club	14	323	86	251
Bogalusa High - Lumberjack Diamond Club	2,264	6,737	6,290	2,711
Bogalusa Jr. High	33,337	72,018	65,255	40,100
Byrd Avenue Elementary	12,159	49,033	48,612	12,580
Columbia Street Elementary	11,940	46,181	43,571	14,550
Columbia Street Elementary Beta Club	1,076	534	359	1,251
Denhamtown Elementary	8,748	53,118	49,468	12,398
Denhamtown Elementary PTO	258	10,110	9,766	602
Long Avenue Elementary	4,084	32,350	30,933	5,501
Northside	1,161	3,705	4,009	857
Pleasant Hill Elementary	5,006	38,605	34,414	9,197
Pleasant Hill Elementary PTO	-	1,499	55	1,444
Superior Avenue Elementary	9,237	26,978	25,648	10,567
Terrace Elementary School Activity	1,269	572	674	1,167
Terrance Elementary	<u>5,535</u>	<u>39,797</u>	<u>37,668</u>	<u>7,664</u>
	<u>\$ 117,805</u>	<u>\$ 787,715</u>	<u>\$ 756,448</u>	<u>\$ 149,072</u>

**CITY OF BOGALUSA SCHOOL BOARD**  
**Schedule of Compensation Paid to Board Members**  
**For the Year Ended June 30, 2001**

Richard E. Borde	\$ 9,600
Joel C. Foster	9,600
Gayle Jenkins	9,600
Linda McCullough	9,600
Larry Miller	9,600
Raymond E. Mims	9,600
Oscar Pierce	<u>9,600</u>
	<u>\$ 67,200</u>

**AUDIT REPORTS AND INFORMATION REQUIRED BY  
THE SINGLE AUDIT ACT**

**CITY OF BOGALUSA SCHOOL BOARD**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2001**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Program or Award Amount</u>	<u>Revenue</u>	<u>Expenditures</u>
<u>U.S. Department of Agriculture</u>					
Passed through Louisiana Department of Agriculture and Forestry:					
Food Distribution (non-cash)	10.550	N/A	\$ 79,934	\$ 79,934	\$ 79,934
Passed through Louisiana Department of Education:					
School Breakfast Program	★10.553	N/A	320,323	320,323	320,323
National School Lunch	★10.555	N/A	752,530	752,530	752,530
Summer Feeding	★10.559	N/A	121,490	121,490	121,490
Total United States Department of Agriculture			1,274,277	1,274,277	1,274,277
<u>U.S. Department of Education</u>					
Passed through Louisiana Department of Education:					
Host	84.332A	99-CSR-66-C	55,983	55,926	55,926
Adult Education - State Administered Basic Grant	84.002	N/A	N/A	40,640	40,640
Educationally Deprived Children - Title I	84.010	IASA-66	1,048,219	992,577	992,577
Educationally Deprived Children (Title I C/O)	84.010	00-T1-66-C	71,786	71,786	71,786
Educationally Deprived Children (Title I C/O)	84.010	00-T1-66-C	22,628	22,628	22,628
Educationally Deprived Children (Capital Expense) Title I)	84.216A	1-C1-66	4,338	4,338	4,338
Eisenhower Professional Development (Title II)	84.281A	01-50-66	23,432	17,500	17,500
Eisenhower Professional Development (Title II C/O)	84.281A	00-50-66-1	4,666	4,666	4,666
Safe and Drug - Free Schools Grant (Title 4)	84.186	01-70-66	16,059	11,733	11,733
Safe and Drug ñ Free Schools Grant (Title 4) ñ (C/O)	84.186	01-70-66-D	1,686	1,686	1,686
Classroom Size Reduction	84.340A	01-01-66	160,643	123,874	123,874
Classroom Size Reduction (C/O)	84.340A	01-01-66-6	11,091	11,091	11,091
Innovative Educational Program Strategies (Title 6)	84.298A	01-00-66	19,577	17,040	17,040
Innovative Educational Program Strategies (Title 6 C/O)	84.298A	01-00-66-C	1,365	1,365	1,365
Innovative Educational Program Strategies (Title 6 C/O)	84.298A	01-00-66-C	1,163	1,163	1,163
Handicapped State Grant ñ Idea B	★84.027	99-FT-66	400,691	400,691	400,691

(Continued)

**CITY OF BOGALUSA SCHOOL BOARD**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended June 30, 2001**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Program or Award Amount</u>	<u>Revenue</u>	<u>Expenditures</u>
Vocational Education ñ Carl Perkins Basic and Guidance	84.048A	N/A	53,989	53,989	53,989
Corporation For National & Community Service	94.006	01-AR-66-F	22,697	15,531	15,531
LEARN Professional Development ñ Goals 2000	84.276A	2801PD-66	33,979	33,931	33,931
Pre-School Flow-Through	☆84.173A	00-PF-66	37,440	37,440	37,440
Total United States Department of Education			1,991,432	1,919,595	1,919,595
<u>U.S. Department of the Army</u>					
Junior Reserve Officers Training Corps.	N/A	N/A	N/A	50,642	50,642
Total United States Department of the Army				50,642	50,642
Total Federal Financial Assistance			\$3,265,709	\$ 3,244,514	\$ 3,244,514

☆A major federal financial assistance program as defined by OMB Circular A-133.



**CITY OF BOGALUSA SCHOOL BOARD**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**June 30, 2001**

**NOTE 1 - SCOPE OF AUDIT PURSUANT TO GOVERNMENT AUDITING STANDARDS,  
OMB CIRCULAR A-133 - AUDITS OF STATES, LOCAL GOVERNMENTS AND NON-  
PROFIT ORGANIZATIONS, AND THE SINGLE AUDIT ACT OF 1984 AND 1996  
AMENDMENTS**

All federal grant operations of the School Board are included in the scope of the single audit. Those programs which were major programs and which were selected for specific testing included:

School Breakfast Program	10.553
National School Lunch	10.555
Summer Feeding	10.559
IDEA Part B	84.027
IDEA Pre-school	84.173A

The Louisiana Department of Education has been designated as the School Board's cognizant agency for the single audit.

**NOTE 2 - FISCAL PERIOD AUDITED**

Single audit testing procedures were performed for program transactions occurring during the year ended June 30, 2001. Revenues and expenditures recorded prior to July 1, 1986 for programs with contractual reimbursement periods commencing prior to that date were outside the scope of the single audit. These prior-period revenues and expenditures are subject to the audit requirements of the applicable federal funding sources. Grant terms are indicated in the Schedule of Expenditures of Federal Awards.

**NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the School Board has met the qualifications for the respective grants. Several programs are funded jointly by State of Louisiana appropriations and federal funds. Costs incurred in programs partially funded by federal grants are applied against federal grant funds to the extent of revenue available when they properly apply to the grant.

**Accrued and Deferred Reimbursement**

Various reimbursement procedures are used for federal awards received by the School Board. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year. Accrued balances at year-end represent an excess of reimbursable expenditures over cash reimbursements received. Generally, accrued balances caused by differences in the timing of cash reimbursements and expenditures will be reversed in the remaining grant period.

# REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS  
CONSULTANTS

A PROFESSIONAL CORPORATION

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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Members of  
**City of Bogalusa School Board**  
1705 Sullivan Drive  
Bogalusa, LA 70429

### Compliance

We have audited the compliance of the **City of Bogalusa School Board** (the "School Board") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2001. The School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Board's compliance with those requirements.

In our opinion, the School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2001.

#### Internal Control Over Compliance

The management of the School Board is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the School Board, the School Board's management, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Reboue & Company*

November 15, 2001

**CITY OF BOGALUSA SCHOOL BOARD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2001**

**A. SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unqualified opinion on the general-purpose financial statements of the City of Bogalusa School Board (the "School Board").
2. No material weaknesses or reportable conditions in internal control over financial reporting relating to the audit of the general-purpose financial statements are reported in the *Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instances of noncompliance material to the general-purpose financial statements of the School Board are reported in the *Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
4. No material weaknesses or reportable conditions in internal control relating to the audit of major federal award programs are reported in the *Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133*.
5. The auditor's report on compliance for the major federal award programs for the School Board expresses an unqualified opinion.
6. The auditor's reports disclosed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The program tested as a major program includes:

	<u>CFDA No.</u>
School Breakfast Program	10.553
National School Lunch	10.555
Summer Feeding	10.559
IDEA Part B	84.027
IDEA Pre-school	84.173A

8. The threshold for distinguishing between type A and type B programs was \$300,000.
9. The School Board was determined to be a low-risk auditee.

**B. FINDINGS Æ FINANCIAL STATEMENTS AUDIT**

None



**CITY OF BOGALUSA SCHOOL BOARD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
For the Year Ended June 30, 2001**

**C. FINDINGS AND QUESTIONED COSTS ñ MAJOR FEDERAL AWARD  
PROGRAMS AUDIT**

None

**CITY OF BOGALUSA SCHOOL BOARD**  
**STATUS OF PRIOR YEAR FINDINGS**  
**For the Year Ended June 30, 2001**

There were no prior year findings as defined by *Government Auditing Standards* that are required to be addressed in this section.



**CITY OF BOGALUSA SCHOOL BOARD  
CORRECTIVE ACTION PLAN  
For the Year Ended June 30, 2001**

There are no compliance and/or internal control findings as described in the Schedule of Findings and Questioned Costs. Accordingly, there is no corrective action plan required as part of this section.